ServiceNow, Inc. (NYSE: NOW)

Equity research update | Price-level review at $141.26 (4 September 2026 close) | Report date: 6 September 2026 | Supersedes the note of 16 August 2026

RECOMMENDATION	INVESTMENT SCORE	WEIGHTED FAIR VALUE	HORIZON
HOLD (reaffirmed)	**69 / 100 (was 72)**	**$151 (+6.7%)**	**2-4 years**

The 16 August note downgraded ServiceNow to Hold at $124.00 on a single argument: an 11.5% rally driven by a software-sector rotation and a round of analyst target raises, with no company disclosure behind it, had removed the margin that made the position worth adding to. It kept the targets at $135 and $160 and it declined to raise them. Three weeks later the stock is $141.26, up a further 13.9%, the first target has been reached and passed, and the driver was another software-sector rotation with no company disclosure behind it. The rating stays at Hold. The scorecard falls three points, every one of them from valuation and the risk that a fuller valuation carries, which is the same accounting the last note used.

1. Target One Was Reached. Nothing Else Was.

The published plan set take-profit target one at $135 with an instruction to trim one third there. ServiceNow closed above $135 on 28 August and has closed above it in every session since, reaching $149.60 intraday on 31 August. A holder who followed the plan took a third off between $135 and $145 and is running the balance toward $160. That is the plan working, and it should be recorded as such rather than treated as an occasion to reset the levels upward.

What did not happen is anything to do with the company. The notice feed for the period carries Form 4 insider filings, three Rule 144 notices of proposed sales and an S-8 registration for employee benefit plans. There is no 8-K, no guidance update, no operational announcement and no material contract disclosure. Every fundamental figure in this report is the figure that was in the last one: subscription revenue growing 24.5%, current remaining performance obligations of $13.2bn up 21%, renewals at 98%, AI annual contract value past $1bn ahead of pace, and a full-year subscription guide of $15.76bn to $15.78bn. The next testable event is the third-quarter release on 28 October, fifty-two days away.

Date	Event	Read
17 Aug	Stock falls to $117.59 intraday, closing $117.70	The nearest approach to the published $105-115 re-entry zone. It was not reached
18-19 Aug	Capital One raises target to $150 from $120; BofA raises to $150	Target revisions, not estimate revisions. The distinction is the whole of section 4
27 Aug	Salesforce reports, rises 22% on an Anthropic partnership and a guidance raise; the enterprise software complex rallies and ServiceNow gains 10.0% to $138.43 on 27.8m shares	The largest single contributor to the period, and a rotation. No ServiceNow-specific news
28 Aug	A further 4.5% to $144.71 on 29.0m shares; take-profit target one is passed	Two sessions at roughly twice normal volume carried the whole move
31 Aug	Intraday high of $149.60, close $147.99	The high of the period
31 Aug - 4 Sep	Drift back to $141.26; Form 4 and Rule 144 filings show continued insider selling	The move is being questioned rather than extended

Compiled from the moomoo news, notice and research feeds and the interpreted digest over the same source, cross-checked against published market coverage, for 15 August to 5 September 2026.

2. Do the Published Levels Still Hold?

Partly, and the part that has failed is the entry side rather than the exit side. Target one has been collected. Target two at $160 is intact and 13.3% away. The thesis-break level at a weekly close below $91 is intact and, at 35.6% below the price, is now far too distant to size a position against, which is the same objection the last note raised when it introduced a nearer trade stop at $105. That trade stop now sits 25.7% below the price, or 3.8 average true ranges, and has inherited the same problem. It is revised below.

The re-entry zone is the harder question and it deserves a direct answer rather than a recalculation buried in a table. The 16 August note put re-entry at $105 to $115, ideally toward the fifty-day average which then stood near $108. The fifty-day average is now $117.02 and the two-hundred-day, computable here for the first time in this coverage, is $118.58. A zone anchored to a moving average has to move when the average moves, so the recomputed zone is $115 to $125. The reason for stating that plainly is that raising a buy zone because the price rose is exactly how a published discipline stops meaning anything, and the guard against it is this: the fair value and both targets are not raised. They stand at $151, $135 and $160, unchanged since 2 August, because not one estimate behind them has been revised. The consequence is uncomfortable and is the honest finding of this report. A re-entry zone of $115 to $125 against a fair value of $151 offers a margin of roughly a fifth, where the same zone at $105 to $115 offered a third.

Published level (16 Aug)	Level	Status	Assessment
Take-profit target 1	$135	**Reached**	Passed 28 August; the plan's instruction was to trim one third
Take-profit target 2	$160	Intact	Now +13.3% away, was +29.0%
Re-entry zone	$105 - $115	**Recomputed**	Never reached; low of $117.59 on 17 August. Now $115 - $125 on the recomputed 50- and 200-day averages
Trade stop	$105 weekly close	**Revised**	Now 25.7% below the price, 3.8 ATR. Raised to $125; see section 6
Thesis break	$91 weekly close	Intact	35.6% below; a thesis level, not a sizing level
Upgrade trigger	200-day close plus an estimate revision	**Half fired**	The 200-day is decisively cleared. No estimate revision has occurred
Weighted fair value	$151	Unchanged	Now +6.7% away, was +21.5%

3. The Upgrade Trigger, and Why It Has Not Fired

The last note named two routes back to Buy. The first was a pullback into $105 to $115 with the operating data intact; the stock went the other way. The second was more specific and is the one that matters now: a decisive weekly close above the two-hundred-day average, then near $125 to $130, accompanied by an estimate revision rather than a target revision. Half of that has happened. The two-hundred-day average, which rejected the stock twice in the week to 14 August, now sits at $118.58 and price is 19.1% above it, having closed above it in fourteen consecutive sessions. Technically the condition is met and met convincingly.

The other half has not happened, and the wording of the trigger was chosen precisely to catch this case. Since 16 August the sell side has raised targets, not numbers: Capital One to $150 from $120, Bank of America to $150. A price target is an opinion about the multiple a market will pay. An estimate is a forecast of what the company will earn. ServiceNow has made no disclosure in the period that could support a change to the second, so every one of these revisions is a re-rating of unchanged cash flows by analysts who watched the same rally the rest of the market watched. The trigger has not fired, and the rating does not move.

4. Valuation: The Price Has Caught the Street

The single most useful number in this report is the consensus target. Forty-nine analysts average $141.19 for ServiceNow over twelve months. The stock closed on 4 September at $141.26. The street's central estimate of where the shares should be in a year is where they already are, and the distribution behind that average runs from $72 to $248, which is a wide disagreement wrapped around a point of no expected return. In August this coverage noted a price of $124 against a median near $140 and called the remaining upside halved. It is now gone.

Valuation measure	At $111.23 (2 Aug)	At $124.00 (16 Aug)	At $141.26	Read
Forward P/E, non-GAAP	24.6x	27.4x	31.2x	Up 27% in five weeks on no estimate change
EV / Sales	7.9x	8.8x	10.0x	Back into the pre-derating range
PEG	1.00	1.11	1.26	Growth no longer paid for at par
Market capitalisation	$115bn	$128.2bn	$146.0bn	On roughly 1,034m diluted shares
Upside to weighted fair value $151	+35.5%	+21.5%	+6.7%	The margin has been spent
Upside to base-case midpoint $148	+33.1%	+19.4%	+4.8%	The base case is essentially here
Upside to consensus target	~+26%	~+13%	0.0%	$141.19 across 49 analysts

Forward multiples are computed on the same forward earnings figure used in the previous two reports so the three columns are comparable; no estimate has been revised between them. Consensus target of $141.19 across 49 analysts, StockAnalysis.com as of 6 September 2026, with a range of $72 to $248. Verdict: fully valued.

The macro variables that matter here. Two, and the second is the one usually got wrong. The first is white-collar employment, because a large part of ServiceNow's subscription revenue is still seat-based and enterprise headcount is what buys seats. August payrolls rose 162,000 against a 58,000 forecast, but the composition was narrow: food services and local government education supplied nearly two thirds of the gain while information shed 23,000, and private payrolls as measured by ADP showed professional and business services down 16,000. Headline hiring that is strong while professional and technology hiring shrinks is the least helpful combination for a seat-based licence model, and it is not visible in the headline number.

The second is federal appropriations, which drive the government vertical that produced the pull-forward flattering recent comparisons. That demand is set by budget authority rather than by the cost of money, so it is largely rate-insensitive on the revenue line even where the company's own borrowing is not. The policy rate reaches this stock through the multiple instead, and at 31.2 times forward with a ten-year yield at 4.78% and a Federal Reserve under Kevin Warsh weighing an increase on 15 and 16 September, the multiple is the exposure that matters.

5. Technicals

The chart is the strongest part of this report and the reason the technical score does not fall with the others. Price is above every average on the board, the two-hundred-day resistance that twice rejected the stock in mid-August has been cleared decisively, and MACD at 7.67 over a 6.97 signal with a positive histogram describes an intact uptrend. Relative strength at 61.0 is firm rather than extended, which is unusual after a 13.9% three-week gain and is worth noting honestly as a point against the mean-reversion argument.

The offsetting fact is distance. Price sits 20.7% above the fifty-day average and 7.3% above the twenty-day, and a return to the fifty-day alone would be a 17% fall that broke nothing structural. Average true range is $6.81, or 4.8% of the price, which for a $146bn company is a great deal of daily movement and is the reason the sizing guidance below does not change. The nearest genuine structure is the gap left by the 27 August open, which runs from the $125.80 close of 26 August to the $130.25 low of 27 August and is unfilled. Filling it would return the stock to where it stood before Salesforce reported, which is a coherent definition of the move being given back.

Indicator	16 Aug note	Now	Read
Close	$124.00	$141.26	Confirmed close, 4 September
SMA 20	$113.46	$131.61	Price above by 7.3%
SMA 50	$107.65	$117.02	Price above by 20.7%; a wide gap
SMA 100	$103.11	$108.36	Price above by 30.4%
SMA 200	not computed	$118.58	**Now computable.** Price above by 19.1%; the August resistance is cleared
EMA 20 / EMA 50	-	$132.24 / $121.40	Both below the price and rising
RSI (14)	61.7	61.0	Firm, not extended
MACD (12,26,9)	5.89 / 4.66, hist 1.23	7.67 / 6.97, hist 0.70	Still positive; the histogram has narrowed
ATR (14)	$6.48 (5.2%)	$6.81 (4.8%)	High in dollar terms; sizing matters
Volume avg 20d / 50d	-	17.5m / 21.2m	The two rally sessions ran at 27.8m and 29.0m
Support	$113-114 / $111.80 / $105	$131.61 / $130.25-125.80 / $118.58	SMA20, the unfilled 27 August gap, the 200-day
Resistance	$129.75 and the 200-day zone	$149.60 / $160	31 August high, then take-profit target two

Computed in code from a 300-session daily OHLCV series, 27 June 2025 to 4 September 2026, with every average taken off that single series. The 200-day average is computable for the first time in this coverage; the previous note could only observe that it stood at $124.92 on 31 July and was declining. Technicals set entry and stop levels only and do not override the fundamental case.

6. Investment Scorecard

Category	Score	Weight	Rationale
Business Quality	**9**/10	15%	Unchanged. 98% renewals, 8,800+ enterprises, 85%+ of the Fortune 500
Financial Strength	**8**/10	12%	Unchanged. $1.75bn net debt after the Moveworks, Armis and Veza borrowing; 20x interest coverage
Competitive Advantage	**8**/10	13%	Unchanged. Security remains the fastest-growing top-ten cyber business
Management	**8**/10	10%	Unchanged. Guidance credibility through three consecutive AI-scare quarters
Growth Potential	**8**/10	15%	Unchanged. AI annual contract value past $1bn ahead of pace; nothing testable before 28 October
Valuation	**4**/10	17%	Down one. 31.2x forward, PEG through 1.25, and the price has reached the 49-analyst consensus target
Risk (10 = lowest risk)	**4**/10	13%	Down one. Momentum-unwind risk rose with a 13.9% three-week gain on no disclosure
Technical Setup	**7**/10	5%	Held. The 200-day is decisively cleared, offset by a 20.7% gap to the fifty-day
OVERALL	**69 / 100**	**100%**	**Down three from 72. Every point comes from price. Not one operating input changed**

Scored 1-10, where 10 is always best, including Risk. A long bar is always the favourable outcome. The 16 August scorecard used this same scale and direction and needed no restatement, so its scores are directly comparable. The weighting is the growth-quality framework used since initiation. The composite was computed in code and matches the figure printed here.

7. Trade Plan and Recommendation: HOLD (reaffirmed)

Hold means what it meant in August and it now means it from a better position. A holder who followed the plan owns roughly two thirds of the original position after trimming at $135, is up on the balance, and has a target at $160 that is 13.3% away. There is no case for adding at $141.26 with 6.7% to the weighted fair value and 4.8% to the base-case midpoint. There is equally no case for a wholesale exit, because the weighted fair value still sits above the price and the operating evidence has not deteriorated by so much as a line.

One parameter is revised. The trade stop moves up from $105 to a weekly close below $125. This is a tightening rather than a widening: at $105 the stop stood 25.7% and 3.8 average true ranges below the price, which is too far to size a position against, the identical objection the last note made about the $91 thesis level. At $125 the stop sits just under the unfilled 27 August gap at $125.80 and comfortably above the two-hundred-day average at $118.58, so it triggers on the Salesforce-driven move being fully given back rather than on ordinary noise. The thesis-break level at $91 is unchanged and continues to serve a different purpose.

Parameter	Level / guidance	Change vs 16 Aug
Recommended action	Hold what you have. Target one was reached; the plan's instruction to trim one third stands as executed. No new money at $141.26	Unchanged rating
Re-entry zone	$115 - $125, ideally toward the fifty-day average at $117.02 and the two-hundred-day at $118.58. Scale rather than a single fill	Recomputed from the moving averages, which have risen
Trade stop	Weekly close below $125	Raised from $105; a tightening, not a widening
Thesis break	Weekly close below $91, or renewal rate under 95%, or subscription gross margin sustained below 80%	Unchanged
Take-profit target 1	$135 - reached 28 August	Collected
Take-profit target 2	$160 - base-case fair value and gap-fill. Trim a further third	Unchanged
Expected upside	+13.3% to target 2; +6.7% to the $151 weighted fair value; +4.8% to the base-case midpoint	Down from +29.0% and +21.5%
Expected downside	-11.5% to the $125 trade stop; -35.6% to the $91 thesis level	Narrower at the trade stop; wider at the thesis level
Risk / reward	Approximately 1.2 : 1 to target 2 against the revised stop	From 1.89 : 1. Still thin
Holding horizon	2-4 years for the compounding thesis	Unchanged
Position size	No addition. Existing holders, roughly two thirds of the original 2-4% weight after the target-one trim	Reduced by the trim, not by a sizing change
Upgrade trigger	A pullback into $115 - $125 with the operating data intact, or an upward revision to forecast earnings or subscription revenue following an actual company disclosure	Restated. The 200-day condition has been met; the estimate condition has not
Next catalyst	Q3 FY26 results, 28 October 2026	52 days out

Levels are anchored to the confirmed close of $141.26 on 4 September 2026. Fair value and both targets are deliberately not raised: no estimate behind them has been revised since 2 August.

What would change the view

Development	Direction	Why it matters
A pullback into $115 - $125 with the operating data intact	Upgrade	Restores a margin to the unchanged $151 fair value that the current price does not offer
An upward revision to forecast subscription revenue or earnings following an actual disclosure	Upgrade	The half of the August upgrade trigger that target raises cannot satisfy
28 October: subscription growth decelerating below the guided range as the federal pull-forward normalises	Downgrade	The base case assumes an 18% to 20% taper, not a break
Renewal rate below 95%, or subscription gross margin sustained below 80%	Exit	The thesis-break conditions; unchanged since initiation
A weekly close below $125	Reduce	Fills the 27 August gap and gives back the entire sector-rotation move
A continued weakening of professional and technology hiring alongside flat enterprise headcount	Downgrade	Seat-based subscription growth is bought out of enterprise payrolls, whatever the headline jobs number does

8. Scenario Analysis

Carried forward unchanged, for the third report running, because not one input has moved. The consequence of leaving them alone while the price rose 27% since 2 August is the whole argument of this report: the base case is now essentially where the stock trades.

Scenario	Prob.	Revenue and earnings outlook	Fair value	Midpoint vs $141.26
Bull	30%	Subscription growth holds above 20%; AI annual contract value beats $1.5bn; consumption mix scales and decouples growth from seats. Gross margin stabilises at 81%, operating margin re-expands past 32%	$175 - $215	+38.0%
Base	50%	Growth tapers to 18-20% as the federal pull-forward normalises and AI stays additive. The 31.5% operating margin and 35% free-cash-flow margin hold, with a modest continuing gross-margin drag	$138 - $158	+4.8%
Bear	20%	Seat erosion resumes and budgets shift toward AI infrastructure; growth falls to the low teens. Gross margin breaks below 80% and the multiple de-rates further against a levered balance sheet	$82 - $100	-35.6%

Probability-weighted fair value: $150.70 = 0.30 x $195 + 0.50 x $148 + 0.20 x $91, using the midpoint of each range, which is +6.7% against $141.26. It was +21.5% against $124.00 on 16 August and +35.5% against $111.23 on 2 August. Probabilities sum to 100%. Computed in code; the stated weighted value matches its inputs.

9. Investment Memo

Would an investor put new money into ServiceNow today? No, and the reason is now easier to state than at any point in this coverage: forty-nine analysts think the stock is worth $141.19 in a year, and it costs $141.26 today. Whatever else is true about the business, the market has finished paying for what is currently known about it.

Should an existing holder sell? No. The distinction matters and it is what separates a Hold from an Avoid. The probability-weighted fair value of $151 still sits above the price, the bull case at a $195 midpoint carries 30% of the weight, and the operating evidence is not merely intact but untested: renewals at 98%, current remaining performance obligations up 21%, AI annual contract value past $1bn ahead of pace, and a subscription guide the company has not touched. A holder is carrying an unimpaired asset at a full price with a target 13% away, which is a reasonable thing to carry for a two-to-four year horizon. A buyer at $141.26 is paying for the next two years of execution in advance and would be doing so after a 27% run that contains no company news at all.

The uncomfortable observation is the repetition. Twice in five weeks this stock has moved close to 10% in a session because a different company reported: the software rotation of 7 August and the Salesforce print of 27 August. Both times the analyst community raised targets within days without the numbers underneath them changing, and both times this coverage declined to follow. That discipline has been vindicated on the way up in the narrow sense that the targets set on 2 August proved achievable, and it has cost nothing, because a holder collected target one exactly as instructed. The risk it now guards against is the reverse trade: a stock that rises on someone else's earnings can fall on someone else's earnings, and at 31.2 times forward with the fifty-day average 20.7% below the price, there is a long way to fall before anything structural breaks.

The single biggest concern is unchanged and is simply larger than it was. ServiceNow is a genuinely excellent business whose price has twice been set by events at other companies. Nothing testable arrives before 28 October, and until then any further move in either direction will again be about the sector rather than the company. The correct posture for fifty-two days is the one already in place: hold the balance, add nothing, and let the third quarter decide whether $141 was early or expensive.